

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 7173

BILL NUMBER: SB 316

NOTE PREPARED: Feb 10, 2015

BILL AMENDED: Feb 9, 2015

SUBJECT: Clark County Tax Increment Financing Study.

FIRST AUTHOR: Sen. Smith J

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: (Amended) The bill establishes the Clark County Tax Leadership Commission (Commission).

Duties: The bill requires the Commission to:

- (1) study the structure and operation of each existing tax increment financing district in Clark County;
- (2) study the impact of tax increment financing districts on county government, municipal government, schools, libraries, public safety, and fire protection districts in Clark County;
- (3) study the overall tax structure of Clark County in order to make recommendations to stabilize the future fiscal circumstances for all Clark County local governmental units;
- (4) study the public services and infrastructure needs for potential population growth in Clark County as a result of economic development;
- (5) study whether tax increment financing strategies and policies in Clark County need to be changed or modified to support the potential population growth;
- (6) study any other fiscal challenge that the commission believes is affecting the greater Clark County area;
- (7) make recommendations for best practices concerning tax increment financing methods that ensure that all units of local government that are affected by the establishment of a tax increment financing district have meaningful input in the approval process;
- (8) prepare a recommended plan for the management of tax increment financing districts in Clark County;
- (9) make recommendations for the development of a comprehensive land use and thoroughfare plan for Clark County that is transparent and practical.

Members: The bill provides that the Commission consists of the following members:

- (1) One representative from the fiscal body of Clark County and from the fiscal body of each incorporated city and town in the county.

- (2) One representative from each school corporation in Clark County.
- (3) A representative of the River Ridge Commerce Center governing board.
- (4) A representative of One Southern Indiana.
- (5) The Clark County sheriff, or the sheriff's designee.
- (6) One representative from the Clark County Fire Chiefs Association.

Appointment of Members of the Commission: The bill provides that the President of the Commission shall be appointed by the Governor. The bill provides that the Vice-Chair of the Commission shall be appointed by the Speaker of the House of Representatives. The bill provides that a legal counsel and a facilitator for the Commission shall be appointed by the President Pro Tempore of the Indiana Senate.

Reimbursement of Expenses: The bill provides that the Commission is entitled to reimbursement of expenses from each redevelopment commission or other entity that has established existing tax increment financing districts in proportion to the incremental property tax revenue in the preceding year that is attributable to existing tax increment financing districts authorized by the redevelopment commission or other entity. The bill also authorizes the Commission to contract for professional services to complete its duties.

Study Report: The bill provides that the chair of the Commission may request the Legislative Council to authorize the Legislative Services Agency to provide assistance to the Commission. It also requires the Commission to submit a written report of the study and recommendations of the Commission to the Legislative Council before December 1, 2015, and to present the report at a public meeting. The bill provides that the Commission expires May 1, 2016.

Effective Date: Upon passage.

Explanation of State Expenditures: (Revised) *Appointment of Members of the Commission-* The bill provides that the President of the Clark County Tax Leadership Commission must be appointed by the Governor. Additionally, the Vice-Chair of the Commission must be appointed by the Speaker of the House of Representatives, and a legal counsel and facilitator for the Commission must be appointed by the President Pro Tempore of the Senate.

(Revised) *Legislative Services Agency (LSA)-* Depending on the scope of the assistance and work that the LSA ultimately has to provide to the Commission under the bill, it could require LSA to dedicate a significant share of at least one employee to this project throughout FY 2016 and half of FY 2017.

The bill provides for the Legislative Council, upon request of the Commission chair, to authorize the LSA to provide assistance to the Commission relative to its duties. The duties of the Commission include studying: (1) the structure and operation of TIFs in Clark County; (2) the impact of TIFs on local units in Clark County; (3) the overall tax structure of Clark County; (4) the public services and infrastructure needs for population growth due to economic development in Clark County; (5) whether TIF strategies and policies in Clark County need to be changed to support potential population growth; and (6) any other fiscal challenge that the Commission believes is affecting the greater Clark County area.

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) The bill provides that the Clark County Tax Leadership Commission may receive reimbursement for its expenses from each redevelopment commission or other entity that has established at least one existing TIF district in Clark County.

Additionally, the Commission must ultimately make recommendations for the management of TIF districts in Clark County. The bill requires the Commission to prepare a final report of its study and present it to the Legislative Council before December 1, 2015. Additionally, the report must be presented at a public meeting within 30 days following submission of the report to the Legislative Council.

The bill's requirements should be within the current resources of the Clark County fiscal body, Clarksville Community School Corporation superintendent, Greater Clark County Schools superintendent, West Clark Community Schools superintendent, River Ridge Commerce Center, One Southern Indiana Chamber of Commerce, Clark County Sheriff's Office, and Clark County Fire Chiefs Association.

Explanation of Local Revenues:

State Agencies Affected: Legislative Services Agency; Legislative Council; Governor.

Local Agencies Affected: Clark County government; Clarksville Community School Corporation; Greater Clark County Schools; West Clark Community Schools; River Ridge Commerce Center; One Southern Indiana Chamber of Commerce; Clark County Sheriff's Office; Clark County Fire Chiefs Association.

Information Sources:

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